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# UTILITY PATENT APPLICATION TRANSMITTAL

(Only for new nonprovisional applications under 37 C.F.R. § 1.53(b))

Attorney Docket No.

First Inventor or Application Identifier Robert M. Ford

Title System and method for managing tier-priced commodity transactions

Express Mail Label No. EH05712343US

## APPLICATION ELEMENTS

See MPEP chapter 600 concerning utility patent application contents.

1. ☐ \* Fee Transmittal Form (e.g., PTO/SB/17)  
(Submit an original and a duplicate for fee processing)
2. ☒ Specification [Total Pages 21]  
(preferred arrangement set forth below)
  - Descriptive title of the Invention
  - Cross References to Related Applications
  - Statement Regarding Fed sponsored R & D
  - Reference to Microfiche Appendix
  - Background of the Invention
  - Brief Summary of the Invention
  - Brief Description of the Drawings (if filed)
  - Detailed Description
  - Claim(s)
  - Abstract of the Disclosure
3. ☒ Drawing(s) (35 U.S.C. 113) [Total Sheets 8]
4. Oath or Declaration [Total Pages 2]
  - a. ☒ Newly executed (original or copy)
  - b. ☐ Copy from a prior application (37 C.F.R. § 1.63(d))  
(for continuation/divisional with Box 16 completed)
    - i. ☐ DELETION OF INVENTOR(S)  
Signed statement attached deleting inventor(s) named in the prior application, see 37 C.F.R. §§ 1.63(d)(2) and 1.33(b).

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5. ☐ Microfiche Computer Program (Appendix)
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## ACCOMPANYING APPLICATION PARTS

7. ☐ Assignment Papers (cover sheet & document(s))
8. ☐ 37 C.F.R. § 3.73(b) Statement ☒ Power of Attorney  
(when there is an assignee)
9. ☐ English Translation Document (if applicable)
10. ☐ Information Disclosure Statement (IDS)/PTO-1449 ☐ Copies of IDS Citations
11. ☐ Preliminary Amendment
12. ☒ Return Receipt Postcard (MPEP 503)  
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## 17. CORRESPONDENCE ADDRESS

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**STATEMENT CLAIMING SMALL ENTITY STATUS  
(37 CFR 1.9(f) & 1.27(b))--INDEPENDENT INVENTOR**

Docket Number (Optional)

Applicant, Patentee, or Identifier: Robert M. Ford

Application or Patent No.: \_\_\_\_\_

Filed or Issued: 6/11/99

Title: SYSTEM AND METHOD FOR MANAGING TIER-PRICED COMMODITY TRANSACTIONS

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Robert M. Ford  
NAME OF INVENTOR

[Signature]  
Signature of inventor

June 10, 1999  
Date

NAME OF INVENTOR

Signature of inventor

Date

NAME OF INVENTOR

Signature of inventor

Date

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**SYSTEM AND METHOD FOR MANAGING TIER-PRICED COMMODITIES  
TRANSACTIONS**

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**Field of the Invention**

The present invention relates to a system and method for managing the sales of a commodity within a tiered pricing structure. More particularly, the present invention relates to a system and method for managing the risks and costs of delivering a commodity from less expensive tier by use of a financial instrument to indemnify against loss from risks associated with purchasing a commodity from that tier.

## Background of the Invention

Deregulation of the various utility industries is creating new opportunities for utility customers to reduce their cost of purchasing water, electricity, natural gas and telecommunications services. Traditionally, because of government regulation, customers in a given geographic area were restricted to purchasing their utilities from single sources (i.e. there was no choice as to where a consumer could buy his or her power, all of a consumer's electricity came from a single local electric utility). Today, most power (primarily electricity) customers rely on what is referred to as "firm" power provided by their local utility companies.

Considering electricity as an example, "firm electric power" means electricity is delivered to the customer on a non-interruptible high-priority basis (i.e. 24 hours a day, 7 days a week throughout the year). Electric utilities must supply electricity to its firm power customers on demand. Because of its guaranteed availability, this is the most expensive type of power a customer may purchase. An alternative to this is for the customer to purchase "interruptible power". Because interruptible power rates are generally substantially lower than firm power rates, the customer can realize a significant savings. The downside to the use of interruptible power by the customer is that it may not be available when the customer needs or wants it and therefore the customer or the customer's utility provider may be forced to buy power from an alternative source (also referred to as "spot" power). Spot power is typically much more expensive than interruptible or firm power (it may not be economically feasible for a

customer to buy spot power for short durations when their interruptible power is unavailable).

The distinction between interruptible electric power and firm electric power creates a two-tiered pricing structure for electricity as a commodity (there are additional sub-tiers such as industrial, retail, and utility-to-utility power). Traditionally, if an electric power customer wanted to take advantage of low cost interruptible power they would have to gamble that the additional costs due to having to purchase spot power during an interruption would not be greater than the savings attributed to using interruptible power. Because most interruptions in interruptible electric power are due to seasonal weather ( heat in particular) changes it is possible to estimate from historical data how much spot power a customer may have to purchase during a given period of time.

One method of dealing with the risk interruptions would be to set aside, hopefully in some type of profitable investment, an amount of money equivalent to the estimated costs of purchasing spot power for the predicted interruptions. While a possible solution, this method would be difficult for the average utility customer to implement because of the lack of available information and skill with determining the frequency of interruptions. Another option, if available, would be to purchase interruptible power during the time of year when interruptions are unlikely and by firm power when interruptions are likely to occur. While better than purchasing nothing but interruptible power, this method does not provide the same savings as it is possible to realize using a larger percentage of interruptible power and it is still possible to be surprised by interruptions requiring the customer to buy spot power.

What is needed is a system that allows the customer to buy less expensive interruptible from the least expensive power generating utility or broker and avoid the risk of loss of power. A method which combined the sale of interruptible power with a financial instrument designed to indemnify against loss resulting from foreseeable interruptions would achieve this goal. A system which allows the customer to purchase or contract with a power broker/utility via a computer connected to the Internet or similar network would also be highly desirable. It would also be advantageous if the system allowed the customer to compare purchase prices from several different providers in order to provide the customer with the best possible price. It would also be advantageous if the system allowed the customers to bid on available utility resources rather than paying a fixed rate, thereby allowing customers to realize a savings and utilities to efficiently sell off unused capacity.

### **Summary of the Invention**

One embodiment of the present invention teaches a method for managing the sales of a tier-priced commodity such as electricity. The method includes determining the prices of the commodity at the available tiers and determining the cost of a financial instrument to cover the cost of any loss incurred by the purchase of a commodity at a given tier. While the invention discussed herein may be applied to numerous tier-priced commodities and services for which there is a quality of service distinction (i.e. telecommunications bandwidth), the preferred embodiment discussed herein will focus on the management of the sales of electrical power.

In another embodiment of the present invention the transaction is carried about between the seller of electrical power and the customer, both wholesale (another utility, a municipality, rural cooperative or large manufacturing concern) and retail (individual consumers), via a seller's computer and a customers computer over a computer network.

Yet another preferred embodiment allows the customer, through the use of a personal computer, to compare the cost of a commodity from different sources and financial instruments from different sources which may be purchased to indemnify against loss caused by risks associated with the commodity from different sources.

Typically, the cost of the commodity and the financial instrument will vary depending upon the amount being purchased, the location of the customer, transportation variables, the capacity of the commodity provider and other factors.

These and other features and advantages of the present invention will be presented in more detail in the following specification of the invention and the accompanying figures which illustrate by way of example the principles of the invention.

### **Brief Description of the Drawings**

The present invention will be readily understood by the following detailed description in conjunction with the accompanying drawings in which:

Figure 1a is an overview description of the operational model of the present invention wherein a buyer purchases a combined commodity and financial instrument from a commodity seller.

Figure 1b is an overview description of the operational model of the present invention wherein a buyer purchases a commodity from a commodity seller and a financial instrument from a financial instrument broker.

Figure 2a illustrates one embodiment of the present invention in which a financial instrument is in place guaranteeing delivery of electrical power and there is no interruption.

Figure 2b illustrates one embodiment of the present invention in which a financial instrument is in place guaranteeing delivery of electrical power and there is an interruption.

Figure 3a illustrates one embodiment of the present invention in which a financial instrument is in place guaranteeing delivery of natural gas and there is no interruption.

Figure 3a illustrates one embodiment of the present invention in which a financial instrument is in place guaranteeing delivery of natural gas and there is an interruption.

Figure 4 is a flowchart illustrating the method steps of one embodiment the present invention.

Figure 5a is a diagram illustrating the use of a client computer to contact a commodity seller computer to carry out the present invention

Figure 5b is a diagram illustrating the use of a client computer to contact a commodity seller computer and a financial instrument seller computer to carry out the method of the present invention.

Figure 6 is a flowchart illustrating the method steps of one embodiment of the present invention.



Figure 7 is a diagram illustrating a multiple bid implementation of the system of the present invention.

Figure 8 illustrates the system of the present invention being used to solicit quotes from more than one seller.

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### Detailed Description of the Invention

Reference will now be made to the preferred embodiment of the invention. An example of the preferred embodiment is illustrated in the accompanying drawings. While the invention will be described in conjunction with that preferred embodiment, it will be understood that it is not intended to limit the invention to one preferred embodiment. On the contrary, it is intended to cover alternatives, modifications and equivalents as may be included within the spirit and scope of the invention as defined by the appended claims. In the following description, numerous specific details are set forth in order to provide a thorough understanding of the present invention. The present invention may be practiced without some or all of these specific details. In other instances, traditional process operations have not been described in detail in order to not unnecessarily obscure the present invention.

In a tier-priced industry, the use of a financial instrument to guarantee commodity delivery and lower the cost of delivering the commodity can be implemented in two distinct ways. Fig. 1a illustrates a buyer **2** purchasing a tier-priced commodity **8** bundled with a financial instrument **10** from a commodity seller **4**. In this example the buyer negotiates the purchase of the bundled commodity **8** and financial instrument **10**

with the commodity seller **4**. The financial instrument **10** would be triggered and executed to absorb the additional costs of purchasing spot power under the conditions described in the financial instrument. In the preferred embodiment the tier-priced commodity is electrical power being sold by a generating utility or broker and the financial instrument is an insurance policy or hedging contract. The buyer **2** may be any consumer of the purchased commodity **8** (i.e. an individual, a large manufacturing concern, a rural cooperative, a municipality or another generating utility) and the seller **4** may be a commodity generating utility or commodity reseller. In one embodiment, the financial instrument **10** is offered by the commodity provider **4** along with the commodity **8** as a bundled product (the purchase price of the commodity includes the purchase price of the financial instrument used to guarantee the delivery of the commodity). Fig. 1b illustrates an alternative embodiment in which the buyer **2** purchases the financial instrument **10** and the commodity **8** separately. In this example the financial instrument **10** is purchased from a financial instrument broker **6** such as an insurance company (in the case of an insurance policy) or brokerage house (in the case of a hedging contract or derivative contract ).

Fig. 2a illustrates the use of an insurance policy **18** to protect against an interruption in service to a customer **16** (in this example a municipality). In Fig. 2a a municipality **16** purchases interruptible power from a generating utility **12**. The municipality **16** has also purchased an insurance policy **18** as part of a bundled product from the generating utility **12** or an insurance company such as the financial instrument broker **10** (See Fig. 1b). If there is no interruption in service then the municipality **16**

receives its power as contracted from the generating utility **12** and there is no need to purchase spot power from another utility **14** (or the power pool). Purchasing a commodity supported by an insurance policy **18** allows the municipality **12** to purchase power at a reduced interruptible rate. The insurance policy **18** takes effect if there is an interruption in service governed by the terms of the policy. Typically, the terms of the insurance policy will cover foreseeable interruptions and not force majeure events. The insurance policy **18** is designed to take into account the risks associated with purchasing interruptible power. These risks include historical data regarding the weather in and around the municipality **16** (the consuming area), the current/predicted future capacity of the generating utility **12** and the current/ predicted future demands of the municipality **16** (the load profile). If there is an interruption in service , the insurance policy **18** will provide the finances necessary to allow the generating utility **12** to purchase or generate needed power to supplement the interruption. In the case where the municipality **16** holds the insurance policy **18** (purchased it separately from the commodity) the financial proceeds of the policy are paid to the generating utility **12** or an alternative source **14** or a transmitting utility to augment supply by purchasing or generating additional power. Referring to Fig. 2b, with the insurance policy **18** covering the cost of purchasing expensive spot power, the alternative source **14** (the providing utility or power pool) would transfer the supplemental power to the municipality through the generating utility **12** or through another system (transmitting/distributing utility) depending upon the circumstances.

When a municipality **16** (or any customer for that matter) is the insurance policy holder, an agreement among the electricity provider, the insurance provider, and the end-user would be structured to provide interruptible power under a mutually acceptable set of circumstances. This agreement allows the generating utility **12**,  
5 through their trading floor, to purchase power for interruptions on behalf of the municipality **16** (including the end users), using funds provided by the insurance policy held by the municipality **16**. In an alternative embodiment the end-users would contract directly with the generating utility and the insurance provider.

Figs 3a and 3b illustrate the application of the present invention to the natural gas industry. A natural gas producer **20** provides gas to a national pipeline company **22** which is conceptually similar to the national electrical grid. The national pipeline company **22** provides gas to a local distributor **26** who in turn provides gas to the end-user **30**. In the event of an interruption in gas service (which are occasioned for equally predictable reasons as they are in the electrical industry) an insurance policy **28** (or  
10 other financial instrument) will provide the funds to supplement the interruption from an alternative source **24**.  
15

The implementation of the present invention from the generating utility and end-user may be accomplished via traditional business means (typically written agreements) or via a computerized transaction. If the transaction is carried out over a computer  
20 network (via the Internet in the preferred embodiment), a wholesale or retail customer would be able to purchase the utility commodity from the provider either with or without an attached financial instrument. The purchaser would also be able to purchase the

commodity from one provider and the financial instrument from a separate financial broker. Sales by a utility may be conditioned upon the purchase of an insurance policy by the purchaser. In another embodiment, an alternative energy provider may sell hedge contracts supported by its own power generating surplus . In yet another embodiment purchasers bid on available power and financial instrument from a variety of different providers.

Fig. 4 illustrates the method steps of the present invention as they would be carried out through traditional processes or as implemented in software on one or more computers. At step **32** a price is determined for the commodity at a first tier. In the preferred embodiment, this will be the price for firm electrical power in a particular class (residential, industrial, etc.) which will be the most expensive electrical power available in that class. At step **34** the price for the commodity at a second tier within the same class. In the preferred embodiment, this will be interruptible power in the same class available for a substantially lower price than the power in the first tier. The price determinations made in steps **32** and **34** are accomplished using any of a number of well known techniques. One source of information useful in determining these prices is Federal Energy Regulatory Commission (FERC) Open-Access Same-time Information System (OASIS) provides information about available transmission capacity. At step **36** a price is determined for a financial instrument to cover the loss which would be suffered in the event of a foreseeable interruption in service associated with the purchase of the second tier commodity. Typically the financial instrument is designed to cover the potential foreseeable interruptions and not force majeure events.

However, coverage for force majeure events could be included in an alternative embodiment of the present invention. At step **38** the generating utility or broker offers the bundled commodity (interruptible power) and financial instrument (typically an insurance policy). The second tier commodity and indemnifying financial instrument are then sold to a customer at step **40**.

Figs. 5a and 5b illustrate a system implementing the present invention over a computer network. A customer using customer computer **42** would connect to a commodity seller computer **46** via a computer network such as the Internet **44**. The commodity seller computer **46** has access to commodity price data **48** and financial instrument price data **50**. The price data may be stored on the commodity seller server **46** or another computer. Figure 5b illustrates a bifurcated system in which there is a financial instrument seller computer **52** in addition to the commodity seller computer **46**. In the preferred embodiment the interface between the customer computer **42** and the commodity seller computer **46** and the financial instrument seller computer **52** is implemented as a web page accessible to the customer via the World Wide Web. In an alternate embodiment the customer would contact a brokering computer which would in turn contact the commodity seller computer **46** and the financial instrument seller computer **52**.

Referring to Fig. 6, the method steps of the present invention are illustrated for an embodiment in which a customer is presented with the lower of two prices from two or more sources. At step **54** the price for a first tier commodity from a first source is determined. At step **56** the price for a second tier commodity from a first source is

determined. At step **58** a price is determined for a financial instrument to cover the loss which would be suffered in the event of a foreseeable interruption in service associated with the purchase of the second tier commodity from a first source. At step **60** the price for a first tier commodity from a second source is determined. At step **62** the price for a second tier commodity from a second source is determined. At step **64** a price is determined for a financial instrument to cover the loss which would be suffered in the event of a foreseeable interruption in service associated with the purchase of the second tier commodity from a second source. At step **66** the lowest combined price for a second tier commodity and bundled financial instrument is displayed to a customer and at step **68** the transaction is processed.

Fig. 7 illustrates an implementation of the present invention facilitating an online auction for a commodity and bundled financial instrument. A first bidder computer **70** and a second bidder computer **72** are connected via a computer network such as the Internet **74** to a tier-priced commodity transaction server **76**. The tier-priced commodity transaction server **76** presents the first bidder computer **70** and the second bidder computer **72** a starting bids (personalized for each participating bidder) for a given commodity at a specified tier and an associated financial instrument. The potential bids are accepted by the tier-priced commodity transaction server **76** and the commodity and bundled financial instrument is sold to the highest bidder.

Fig. 8 shows customer computer **78** connecting to commodity seller computers **82**, **84**, and **86** via a network such as the Internet **80**. The customer computer **78** presents the commodity seller computers **82**, **84**, and **86** with its commodity

requirements and information necessary to determine the cost of the requested commodity and the associated financial instrument. In an alternate embodiment the customer computer 78 connects to a querying computer which collects information from the customer retrieves the price combinations from the commodity seller computers 82, 84, and 86 and returns the best offer price to the customer. In yet another embodiment the querying computer contacts both commodity seller computers 82, 84, and 86 and financial instrument selling computers and presents the customer with the best combined price.

Although the foregoing invention has been described in some detail for the purpose of clarity of understanding, it will be apparent that certain changes and modifications may be practiced within the scope of the appended claims. Accordingly, the present embodiments are to be considered illustrative and not restrictive, and the invention is not to be limited to the details given herein, but may be modified within the scope and equivalents of the appended claims.



We claim:

1) A method for managing the sale of a tier-priced commodity comprising the steps of :

a) determining a first price for a commodity at a first tier;

5 b) determining a second price for said commodity at a second tier;

c) determining a third price for a financial instrument designed to indemnify  
against at least one risk associated with purchasing said commodity at  
said second tier; and

10 d) offering said commodity at said second tier commodity for sale at a fourth  
price; wherein said fourth price is lower than said first price and equal to  
or higher than the sum of said second price and said third price.

15 2) The method of claim 1 further comprises the steps of receiving a request from a  
customer to purchase said commodity for said fourth price and selling said customer  
said commodity.

3) The method of claim 2, wherein ownership of said financial instrument is not  
transferred to said customer.

20 4) The method of claim 2, wherein ownership of said financial instrument is  
transferred to said customer.

5) The method of claim 1, wherein said financial instrument is an insurance policy.

6) The method of claim 1, wherein said financial instrument is a hedge contract.

5 7) The method of claim 5, wherein said tier-priced commodity is electrical power.

8) The method of claim 6, wherein said tier-priced commodity is electrical power.

9) A method for managing the sale of a tier-priced commodity over a computer  
10 network comprising the steps of:

a) displaying to a customer on a display associated with a customer computer a  
price for a tier-priced commodity; wherein said commodity has at least a  
first tier and a second tier in its pricing structure; wherein said second tier  
has at least one associated risk;

15 b) receiving a request to purchase said tier-priced commodity on a seller  
computer connected to said buyer computer via a computer network;

c) selling said tier-priced commodity to said customer; and

d) transferring to said customer the right to receive indemnification against loss  
due to the at least one associated risk if said commodity is sold to said  
20 customer is from said second tier.

10) The method of claim 9, wherein said financial instrument is designed to protect against loss associated with interruptions in the delivery of said second tier commodity.

11) The method of claim 10, wherein the price of said financial instrument is based upon one or more factors associated said customer.

12) A system for managing the sale of a tier-priced commodity over a computer network comprising:

- a) a first computer;
- b) a second computer connected to said first computer by a computer network;
- c) commodity data storage accessible to said second computer comprising at least one tier-priced commodity having at least a first tier and a second tier; and
- d) financial instrument data storage accessible to said second computer comprising at least one financial instrument designed to indemnify against at least one risk associated with purchasing said commodity from said second tier.

13) A method for managing the sale of a tier-priced commodity comprising the steps of:

- a) determining a first price for a commodity at a first tier from a first source for a customer;

- b) determining a second price for said commodity at a second tier from said first source for said customer;
- c) determining a third price for a first financial instrument designed to indemnify said customer against loss resulting from at least one risk associated with purchasing said commodity from said second tier from said first source;
- d) determining a fourth price for said commodity at a first tier from a second source for a customer;
- e) determining a fifth price for said commodity at a second tier from said second source for said customer;
- f) determining a sixth price for a second financial instrument designed to indemnify said customer against loss resulting from at least one risk associated with purchasing said commodity from said second tier from said second source; and
- g) displaying to said customer the lowest of said first price, the sum of said second price and said third price, said fourth price and the sum of said fifth price and said sixth price.

14) A method for managing the sale of a tier-priced commodity comprising the steps of:

- a) determining a first price for a commodity at a first tier for a first customer;
- b) determining a second price for said commodity at a second tier for said first customer;

c) determining a third price for a first financial instrument designed to indemnify said first customer against loss resulting from at least one risk associated with purchasing said commodity from said second tier;

d) determining a fourth price for said commodity at a first tier for a second customer;

e) determining a fifth price for said commodity at a second tier for said second customer;

f) determining a sixth price for a second financial instrument designed to indemnify said second customer against loss resulting from at least one risk associated with purchasing said commodity from said second tier from;

g) displaying to said first customer the lowest of said first price, the sum of said second price and said third price; and

h) displaying to said second customer the lowest of said fourth price and the sum of said fifth price and said sixth price.

15) A method for managing the sale of a tier-priced commodity comprising the steps of:

a) displaying to a first bidder a first price for a commodity and a first financial instrument designed to indemnify said first bidder against loss associated with at least one risk associated with the purchase of said commodity;

b) displaying to a second bidder a second price for a commodity and a second financial instrument designed to indemnify said second bidder against loss associated with at least one risk associated with the purchase of said commodity;

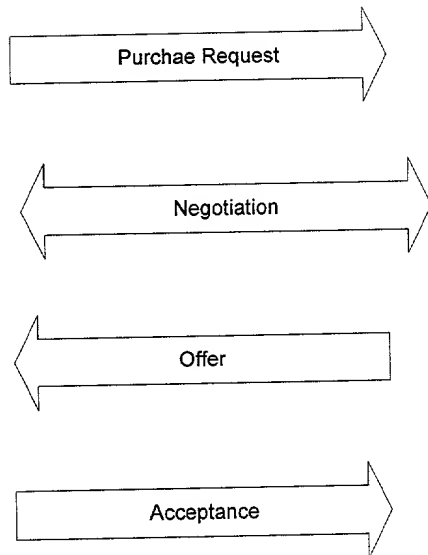
5 c) receiving bids for said commodity from said first bidder and said second bidder; and

d) selling said commodity and transferring a right to collect against said first financial instrument to said first bidder if said first bidder exceeds said first price by a greater amount than said second bidder exceeds said second price or selling said commodity and transferring a right to collect against said second financial instrument to said second bidder if said second bidder exceeds said second price by a greater amount than said first bidder exceeds said first price.

## Abstract of the Invention

The present invention is a method and system for managing the sale of a tier-priced commodity. The method of the invention includes determining the price of a commodity at two or more tiers and calculating a risk coefficient based upon the risks associated with purchasing the commodity at a lower tier. The method manages these risks by offering a financial instrument designed to indemnify against the risks associated with purchasing a commodity at a lower tier. The purchase price of the indemnifying financial instrument is included in the price of the commodity. The present invention also includes a system whereby a customer may purchase a tier-priced commodity from one or more seller; wherein the purchase price of said commodity includes the price of the indemnifying financial instrument. The system also allows the customer to purchase an indemnifying financial instrument from more than one seller. The present invention also includes a method of searching for the best price of a tier-priced commodity sold with an indemnifying financial instrument. The present invention also includes a system for carrying out the described methods via the Internet with the customer using web pages presented on the World Wide Web as a user interface.

2 Buyer



Commodity Seller 4

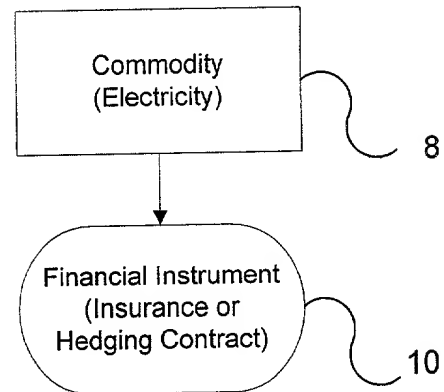
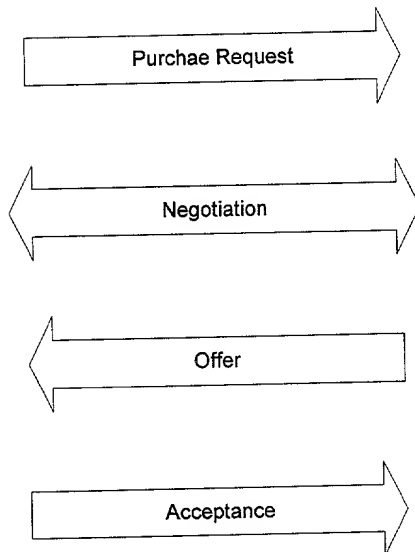
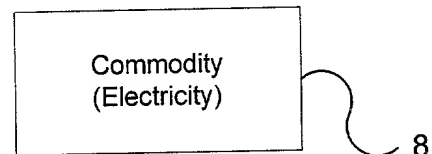


Figure 1a

2 Buyer



Commodity Seller 4



Financial Instrument Broker 6

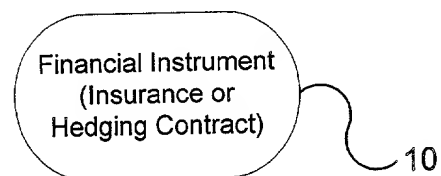


Figure 1b



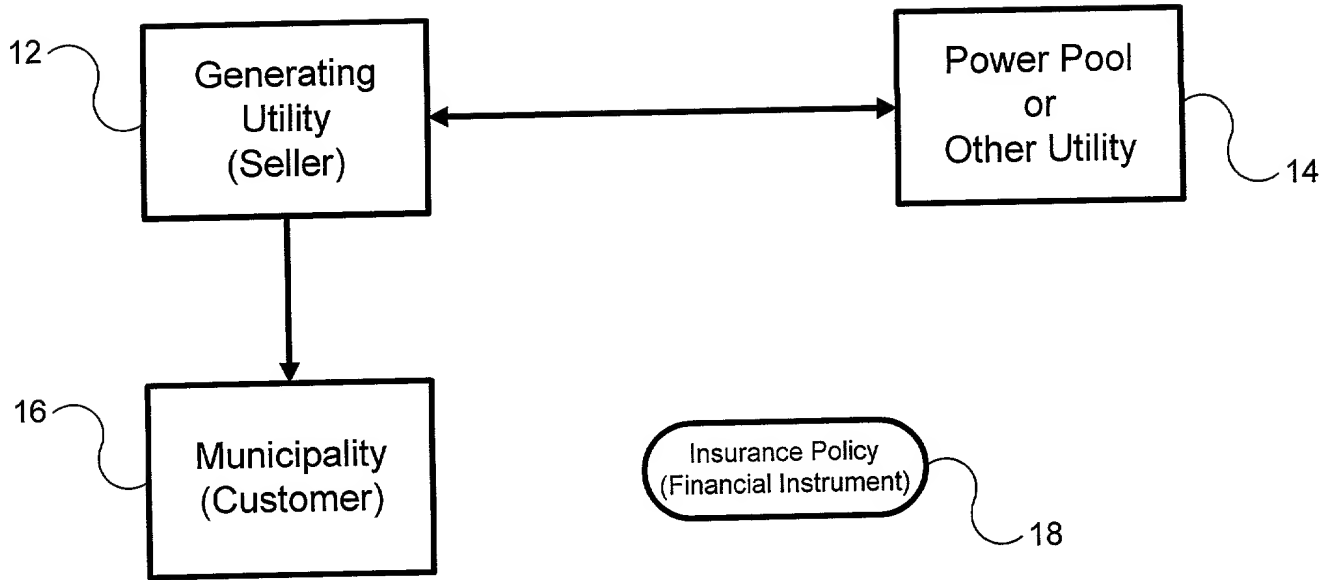


Figure 2a

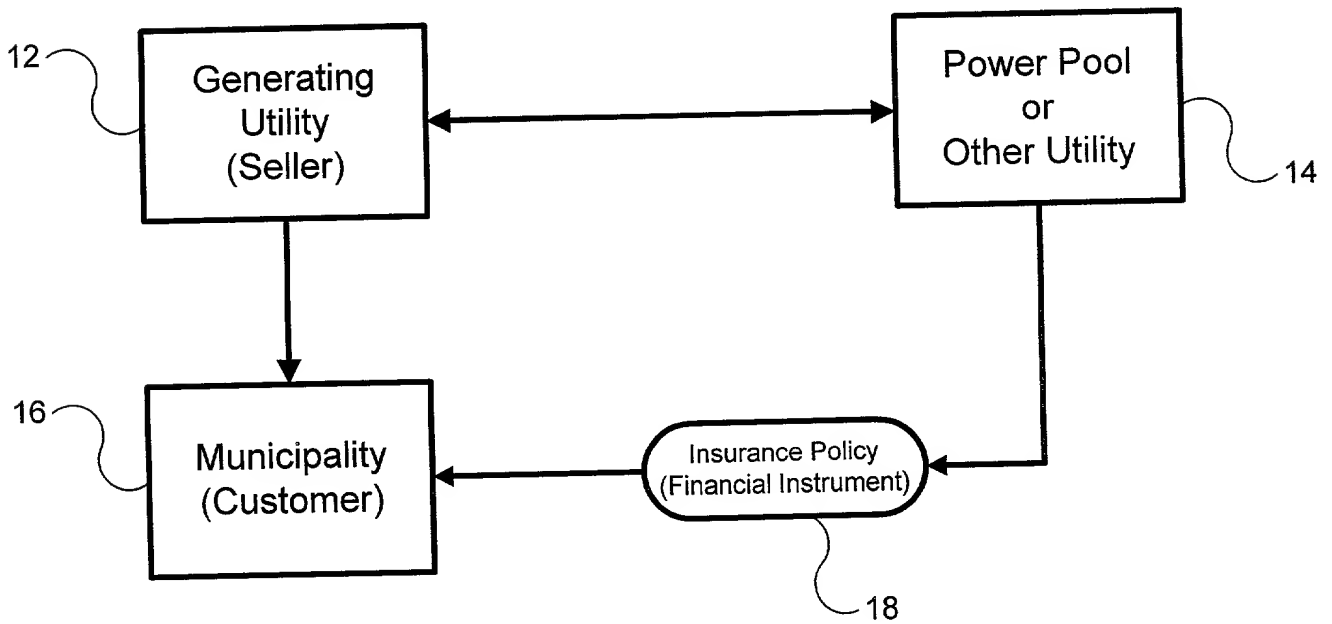


Figure 2b

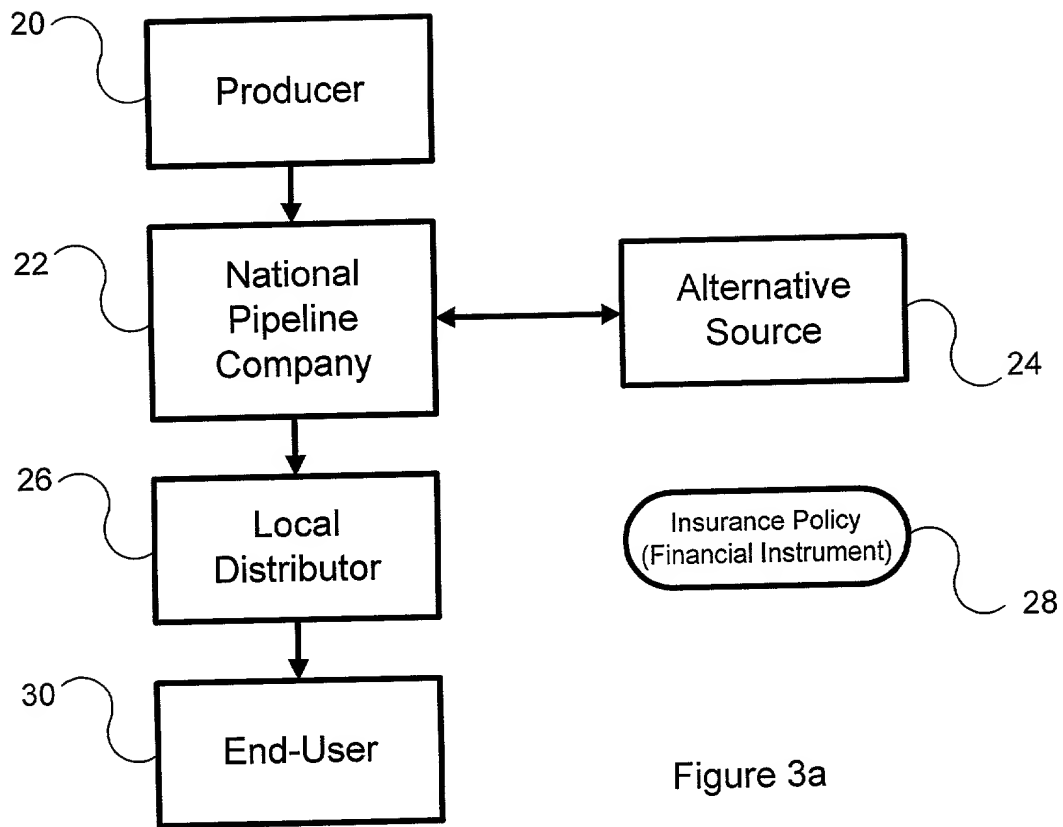


Figure 3a

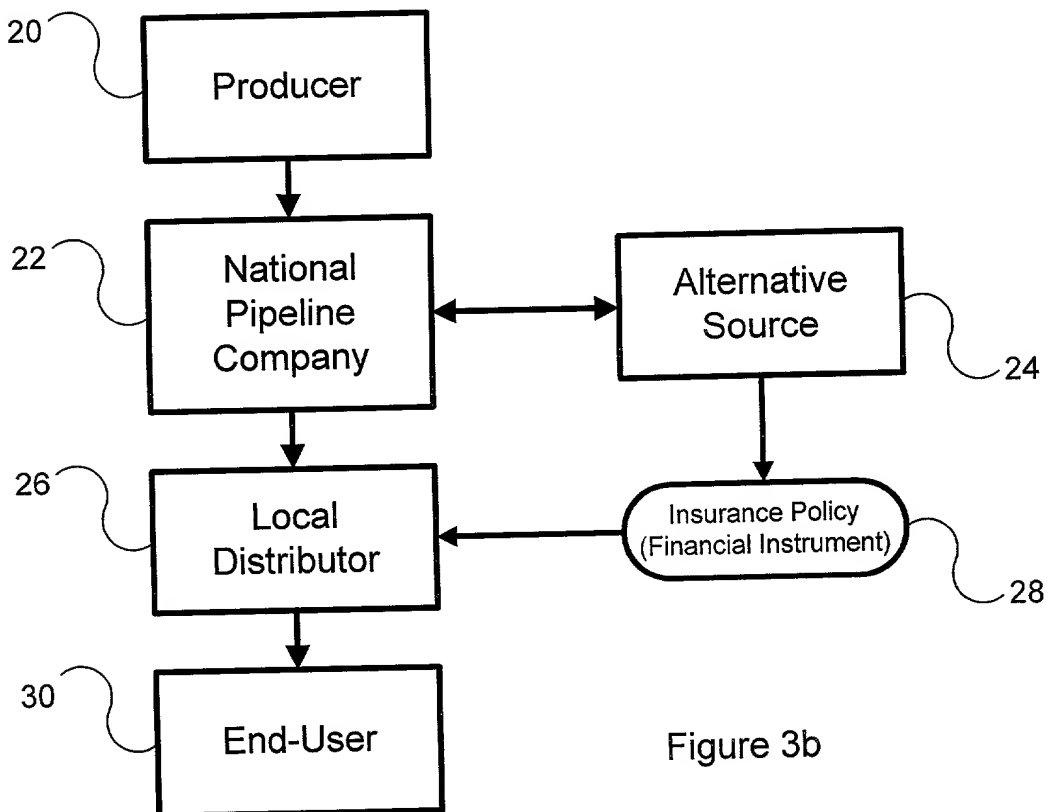


Figure 3b

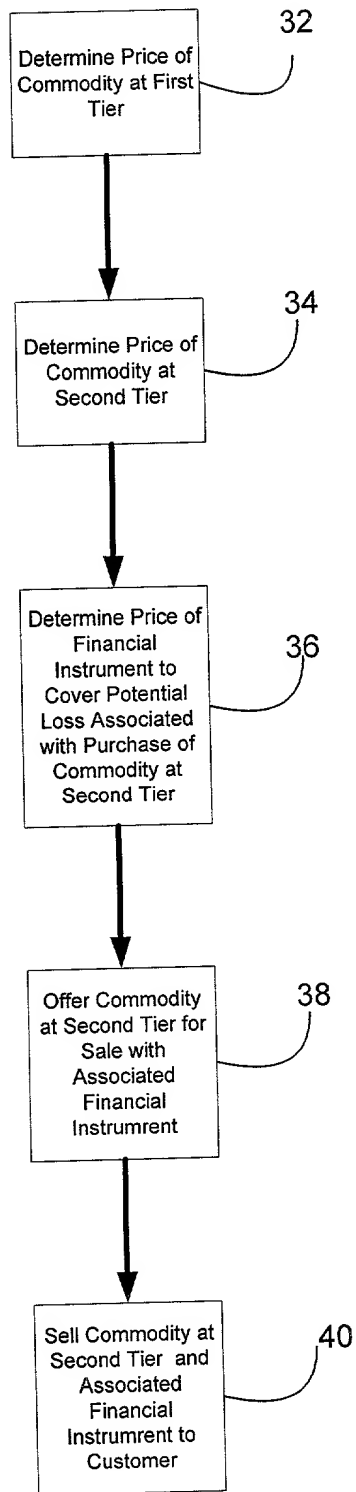


Figure 4

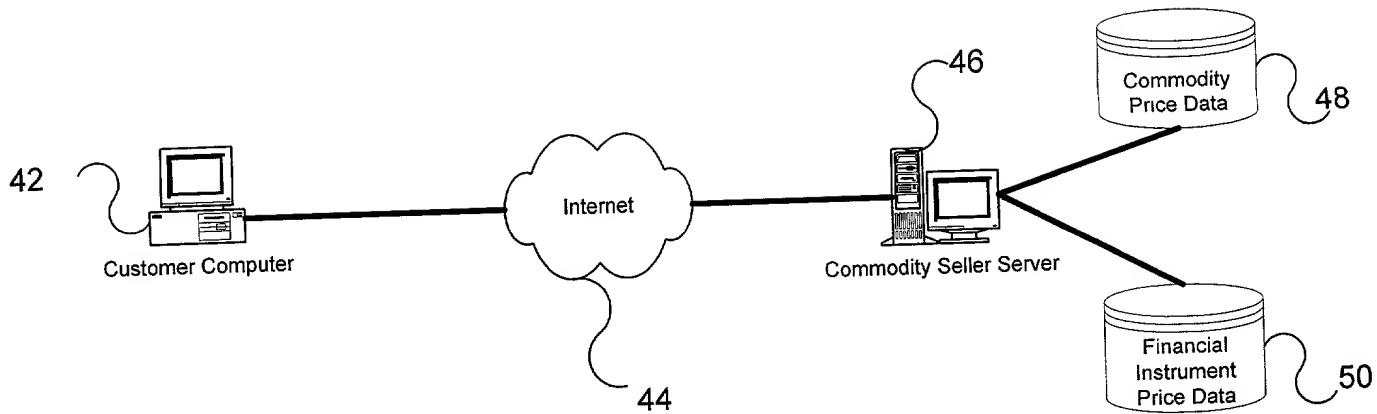


Figure 5a

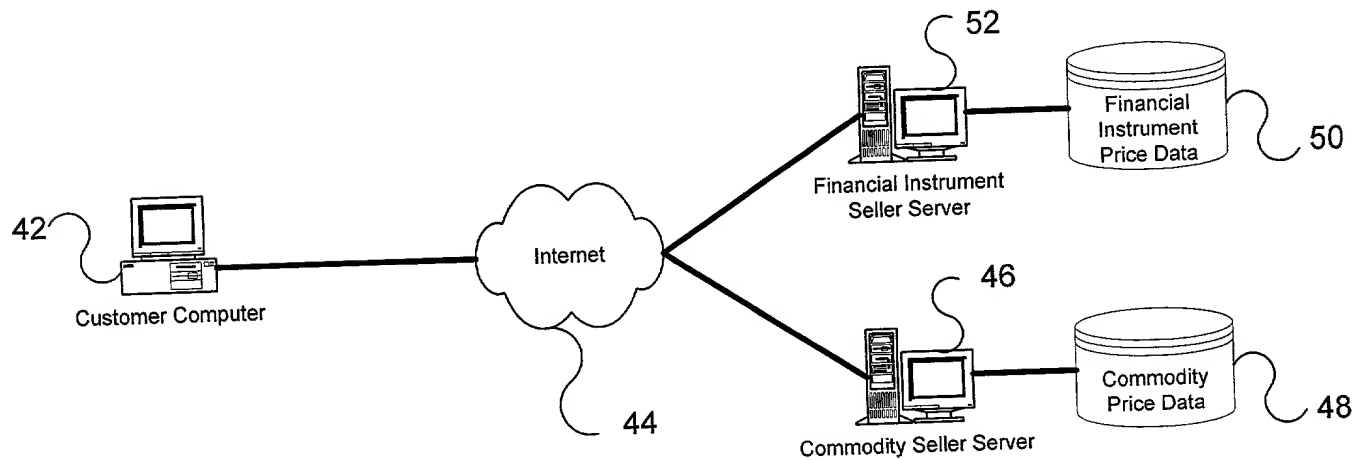


Figure 5b

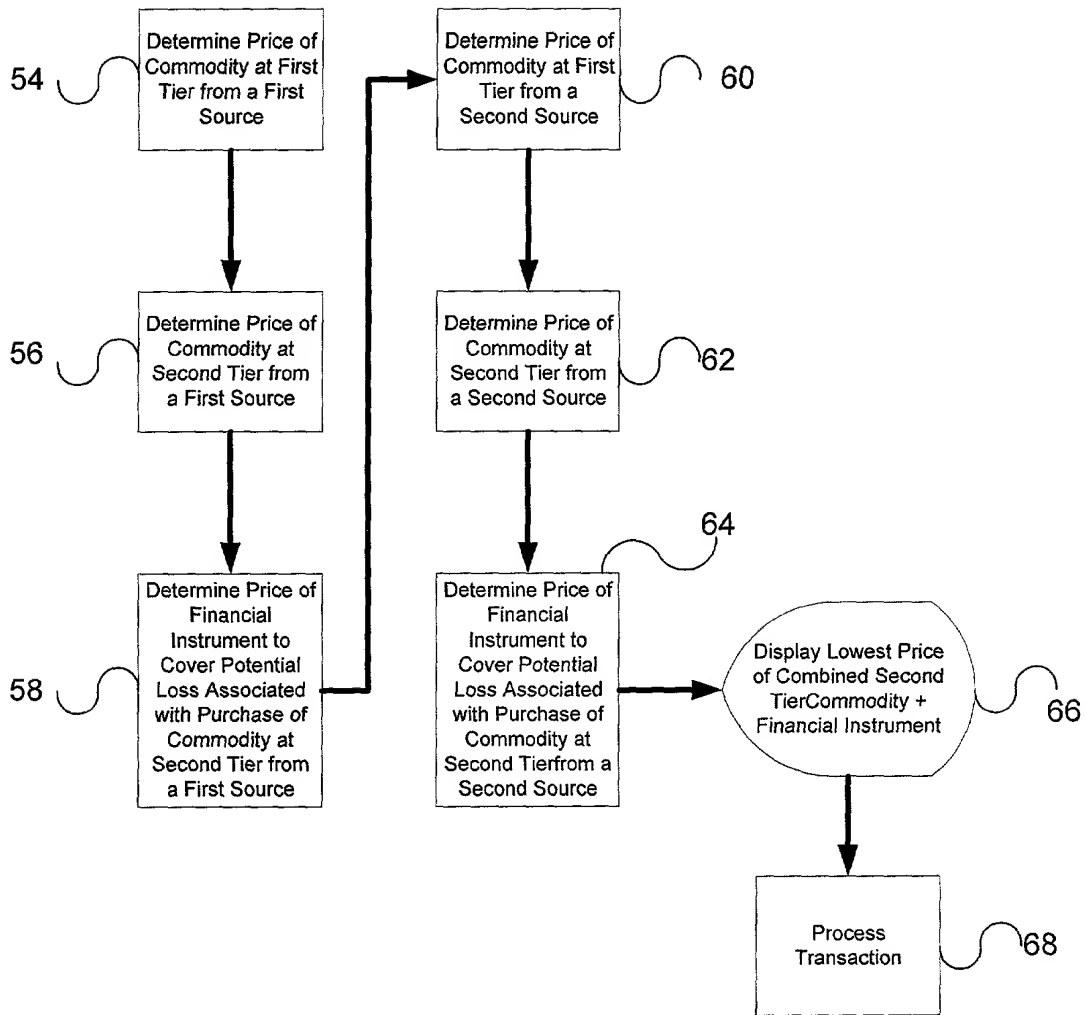


Figure 6

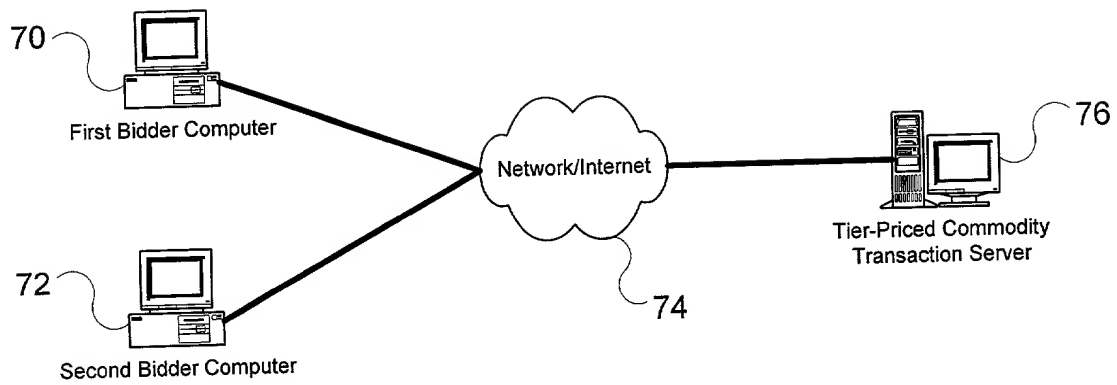


Figure 7

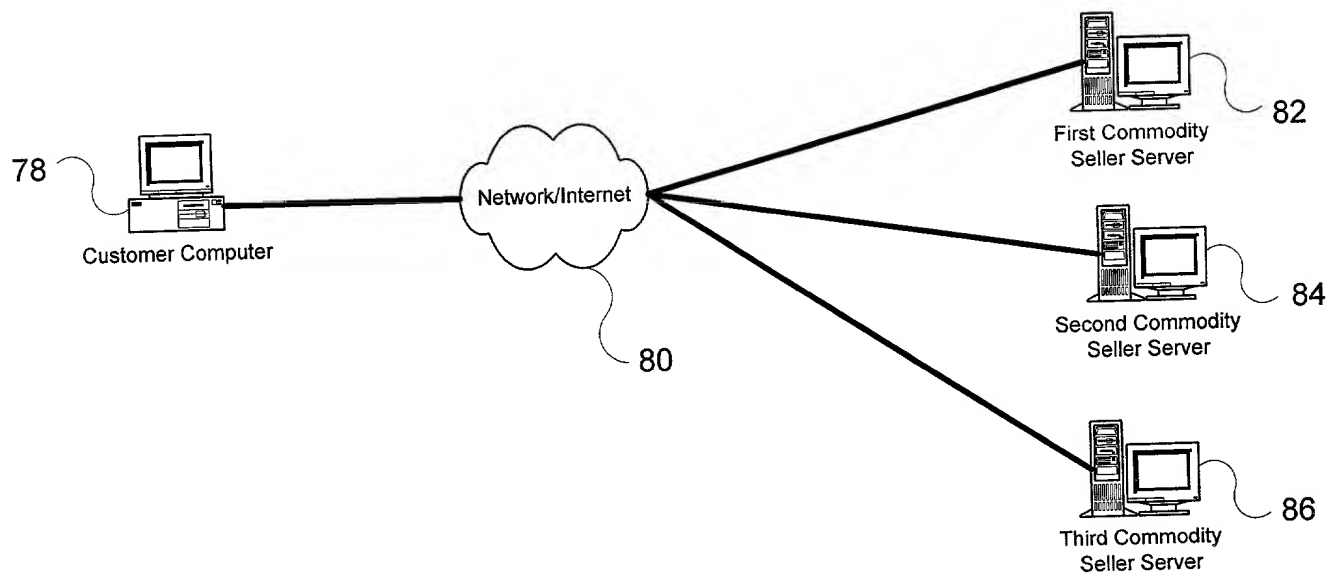


Figure 8

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<b>DECLARATION FOR UTILITY OR DESIGN PATENT APPLICATION (37 CFR 1.63)</b>	<b>Attorney Docket Number</b>	
	<b>First Named Inventor</b>	Robert M. Ford
	<b>COMPLETE IF KNOWN</b>	
	<b>Application Number</b>	/
	<b>Filing Date</b>	
	<b>Group Art Unit</b>	
<input checked="" type="checkbox"/> Declaration Submitted with Initial Filing	OR	<input type="checkbox"/> Declaration Submitted after Initial Filing (surcharge (37 CFR 1.16 (e)) required)
	<b>Examiner Name</b>	

**As a below named inventor, I hereby declare that:**

My residence, post office address, and citizenship are as stated below next to my name.

I believe I am the original, first and sole inventor (if only one name is listed below) or an original, first and joint inventor (if plural names are listed below) of the subject matter which is claimed and for which a patent is sought on the invention entitled:

**SYSTEM AND METHOD FOR MANAGING TIER-PRICED COMMODITY TRANSACTIONS**

the specification of which *(Title of the Invention)*

☒ is attached hereto  
OR  
☐ was filed on (MM/DD/YYYY)  as United States Application Number or PCT International Application Number  and was amended on (MM/DD/YYYY)  (if applicable).

I hereby state that I have reviewed and understand the contents of the above identified specification, including the claims, as amended by any amendment specifically referred to above.

I acknowledge the duty to disclose information which is material to patentability as defined in 37 CFR 1.56.

I hereby claim foreign priority benefits under 35 U.S.C. 119(a)-(d) or 365(b) of any foreign application(s) for patent or inventor's certificate, or 365(a) of any PCT international application which designated at least one country other than the United States of America, listed below and have also identified below, by checking the box, any foreign application for patent or inventor's certificate, or of any PCT international application having a filing date before that of the application on which priority is claimed.

Prior Foreign Application Number(s)	Country	Foreign Filing Date (MM/DD/YYYY)	Priority Not Claimed	Certified Copy Attached?	
				YES	NO
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

☐ Additional foreign application numbers are listed on a supplemental priority data sheet PTO/SB/02B attached hereto.

I hereby claim the benefit under 35 U.S.C. 119(e) of any United States provisional application(s) listed below.

Application Number(s)	Filing Date (MM/DD/YYYY)

☐ Additional provisional application numbers are listed on a supplemental priority data sheet PTO/SB/02B attached hereto.

[Page 1 of 2]

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## DECLARATION — Utility or Design Patent Application

I hereby claim the benefit under 35 U.S.C. 120 of any United States application(s), or 365(c) of any PCT international application designating the United States of America, listed below and, insofar as the subject matter of each of the claims of this application is not disclosed in the prior United States or PCT International application in the manner provided by the first paragraph of 35 U.S.C. 112, I acknowledge the duty to disclose information which is material to patentability as defined in 37 CFR 1.56 which became available between the filing date of the prior application and the national or PCT international filing date of this application.

U.S. Parent Application or PCT Parent Number	Parent Filing Date (MM/DD/YYYY)	Parent Patent Number (if applicable)

☐ Additional U.S. or PCT international application numbers are listed on a supplemental priority data sheet PTO/SB/02B attached hereto.

As a named inventor, I hereby appoint the following registered practitioner(s) to prosecute this application and to transact all business in the Patent and Trademark Office connected therewith:

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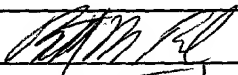
Name	Registration Number	Name	Registration Number
Gregory P. Silberman	39,836		

☐ Additional registered practitioner(s) named on supplemental Registered Practitioner Information sheet PTO/SB/02C attached hereto.

Direct all correspondence to: ☐ Customer Number  OR ☒ Correspondence address below

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I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under 18 U.S.C. 1001 and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

Name of Sole or First Inventor:					<input type="checkbox"/> A petition has been filed for this unsigned inventor		
Given Name (first and middle [if any])				Family Name or Surname			
Robert M.				Ford			
Inventor's Signature					Date	6/10/99	
Residence: City	Saint Joseph	State	MO	Country	United States	Citizenship	USA
Post Office Address	2929 Lovers Lane						
Post Office Address							
City	Saint Joseph	State	MO	ZIP	64506	Country	USA

☐ Additional inventors are being named on the \_\_\_\_\_ supplemental Additional Inventor(s) sheet(s) PTO/SB/02A attached hereto